



SENATOR
ARLEN SPECTER
PENNSYLVANIA

ARLEN SPECTER SPEAKS

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THE FUTURE OF IRAQ

With the termination of hostilities in Iraq, it is very important that our government, in conjunction with the British and the coalition forces, move very promptly to return the country to Iraqi control. It is important because many people have speculated that the U.S. position has really been about control of Iraqi oil. When we put the Iraqis back in charge of their country, with their own police and courts, it will show the world, especially the Arab world, that we are not there for our own gain.

The U.N. should honor the request of President Bush to lift the sanctions. There is no longer a need for U.N. sanctions since Saddam Hussein is out of power. Those sanctions were put into place

when he was violating the commitments he made to the U.N. after the Gulf War in 1991. Saddam has been removed from

power, and the sanctions ought to be removed as well.

I would like to see the U.N. have a significant role. But the U.N. should not be allowed to use any role as a platform for their own economic benefit, as did Russia and France when they opposed coalition action.



They're really holding that over our head. I think it's little bit of sophisticated international blackmail. The purpose of the sanctions are gone. Now that Saddam is gone, Iraq has been demilitarized and the threat is gone. There's no reason why those

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INSTITUTING A FLAT TAX

I have addressed a flat tax virtually every year since introducing a flat tax proposal in the spring of 1995. After extensive consideration and analysis of flat tax proposals, it seemed to me that it was long overdue that a serious effort be made to simplify the U.S. Tax Code.

As of the year 2000, we had a Tax Code which has grown to 6.9 million words. When the Tax Code was counted in the year 1955, there were 744,000 words. There are 325 forms to be filled out, and American tax-

payors spend more than 5.8 billion hours each year preparing them. It is estimated that \$194 billion is spent each year in complying with the tax laws. I have seen other estimates that place the issue of compliance as high as \$800 billion.

There is no doubt that the Federal Tax Code and forms are burdensome, onerous, and unduly complicated. The vast majority of Americans require professional help to fill out a tax return. Some people say even a Philadelphia lawyer cannot figure it

out. I am inclined to agree with that.

Albert Einstein said that the hardest thing in the world to understand is the income tax. That is quite a statement for Albert Einstein to make. I think it shows how complicated the code can be.

On the issue of taxes, I supported the full \$726 billion tax cut proposal offered by President Bush. We have a \$10 trillion economy, and we are talking about \$726 billion or \$550 billion or \$350

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FLAT TAX (CONTINUED)

billion over a 10-year period. I think the President's proposal is worth a try.

What should be done is to finally take some bold and innovative action and at least consider tax simplification and a flat tax. It has never been seriously considered or analyzed by the Senate.

The leading study, by Professors Hall and Rabushka of Stanford University, analyzed the revenue picture and concluded that, at 19 percent, the flat tax would be revenue neutral. That would include an elimination of all deductions.

In the flat tax legislation that I have introduced, I retained two deductions – for home interest and charitable contributions. These are the most popular tax deductions

taken by Americans. In order to include them, however, it is necessary to raise the flat tax from 19 percent to 20 percent. Similarly, for the corporate tax, a 20 percent rate is calculated to be revenue neutral. Today, there is an enormous amount of time spent with lawyers, accountants, and tax specialists, figuring out loopholes. That time and energy should be spent on better endeavors.

Under my proposal, the tax return form is literally the size of a postcard and could be filled out in 15 minutes.

If, once and for all, we directed our attention to what is economically productive – that is, what makes sense from an economic point of view, without regard to the tax consequences – there would be a burst of energy and pro-

ductivity, and it would do wonders for our economy. That is the way to stimulate the American economy, instead of tinkering at the edges, which is what many of the tax modifications have been.

The flat tax eliminates the estate tax, capital gains tax, and the double taxation of dividends. For families of modest means and their conflicting schedules, they would pay less under a flat tax. The various schedules that have been proposed are complicated and sometimes conflicting. That is why I would like to see the hearings on a comprehensive analysis, to really find out what it would mean at all levels.

Today, when the loopholes are applied, the sky is the limit. The wealthiest people, who earn the most money, can avoid paying taxes altogether. There is a tremendous amount of money lost through fraud. That, too, would be reduced substantially, if not virtually eliminated with a flat tax proposal. So, in essence, my point is that another way to really give the economy a shot in the

arm is to eliminate all of this nonproductive time filling out tax returns and the numerous forms attendant thereto and allow American ingenuity to focus on what makes economic and productive sense.

Today the Internal Revenue Code constitutes cruel and unusual punishment and it would be a Godsend if on April 15 we sat down and filled out a postcard. The flat tax is something, which is certainly worthy of consideration and study.

My best judgment is that the flat tax would be very worthwhile, but I would like to see the Finance Committee and the Joint Economic Committee undertake the kinds of hearings and analysis needed for appropriate consideration. I urge them to take up this important issue.

NOTE: Senator Specters' Resolution to urge the Senate Finance Committee and the Joint Economic Committee to hold hearings and consider legislation providing for a flat tax passed the Senate by a vote of 70–30.

Today the Internal Revenue Code constitutes cruel and unusual punishment

IRAQ (CONTINUED)

sanctions should not be removed. The United States ought to have a relatively free hand in Iraq so long as it's a trusteeship for the benefit of the people of Iraq.

Now that the war in Iraq has ended I believe it is very important for the United States to turn our attention to War Crime prosecutions. Sen. Biden, Congressman Weldon, and I have introduced a joint resolution in the House and Senate to establish a War Crimes Tribunal to try the Iraqis who violated international law when they had soldiers dressed as civilians and exploded car bombs which resulted in the murder of many American soldiers during the course of the fighting. That is a violation of the

Geneva and the Hague Conventions. We had filed this resolution to put the Iraqis on notice that when the war was over, it would not be over for those who were war criminals and those who would murder Americans in violation of International law.

There have been persistent reports that the Syrians have engaged in supporting the Iraqis, including permitting the transfers of weapons of mass destruction. The Department of Defense complained early on about night goggles which violates the rules. Syria should have kept out of it. There is substantial evidence of transit of key Iraqi personnel, perhaps Iraqi officials, and the question remains open as to where Sad-

dam Hussein is located. These are matters which have to be answered by Syria.

There is also the collateral concern that Syria may have developed chemical weapons of their own. So far the intelligence is inconclusive but these matters have to be perused to find out the facts. If Syria has collaborated with the Iraqis there are going to be some serious consequences.

I think the military success in Iraq has had a profound effect everywhere. Former President Rafsanjani of Iran is talking about a plebiscite in Iran to take up the issue of dealing with the United

States. North Korea has changed. The Washington Post has reported that a Hamas leader has stated that Hamas may voluntarily leave Damascus.

There has been a real bone of contention about Syria harboring terrorists. President Bush has made it emphatic that anyone who harbors terrorists is guilty of terrorism themselves.

Whether, at this point, Syria will take the next step really remains to be seen.

I would like to see the U.N.'s presence in Iraq give assurance to the Arab world and to the rest of the world

A TOWN MEETING REPORT

During the Spring recess, I held town meetings across Pennsylvania. During these meetings, I have heard a constant theme of concern about the economy and job opportunity. For example in Erie the tool and die makers are concerned about Chinese competition. What needs to be done in this area is to enforce our trade laws. We can compete in the steel industry. We can compete in tool and dye and other places. But we can't compete against a government which brings in subsidized and dumped goods which strip jobs from Americans. Just as tariffs were

imposed on the steel industry by President Bush a year ago to give the steel industry a chance to regroup, we are going to have to enforce our trade laws to see to it that American working men and women have a level playing field.

Also during the course of my town meetings, I have heard the concerns of many senior citizens regarding the high costs of prescription drugs. The Congress had a prime opportunity to address this issue last year.

We have now set aside \$400 billion in the projected budget for a prescription drug

program. There is a need to have Medicare reform. But there is also the need to have affordable prescription drugs. Our seniors need to have the medical care they need without being forced to pay such exorbitant prices that it deprives them of the other necessities of life.



A VETERANS' CEMETERY IN SOUTHEASTERN PENNSYLVANIAIA

It is clear to a number of observers, including the Secretary of Veterans Affairs, that Southeastern Pennsylvania needs a national cemetery. The Philadelphia area has one of the largest veterans' population in the Nation, currently estimated at over 350,000.

The fact that Pennsylvania has the second oldest veterans' population in the country makes the need for a new cemetery particularly acute. Yet the closest existing VA cemetery - the Philadelphia National Cemetery - has been closed to in-ground, casket burials since 1962. By 2005 it will even lose the capacity to inter cremated remains, leaving area veterans with only one alternative - burial at Indian-town Gap National Cemetery over two hours away. This is not acceptable.

I am introducing legislation to direct the Department of Veterans Affairs, to construct a national cemetery in southeastern Pennsylvania. In order to facili-

tate the construction of a cemetery, as mandated, this bill would also require the VA to consult with Federal, State, local government entities and with Pennsylvania's veterans' service organizations, to locate land for a new cemetery in the Philadelphia area. This is the same stakeholder collaboration that worked well to identify a site for a cemetery in southwestern Pennsylvania that is currently under con-



struction. In addition, the bill will require VA to report, no later than six months after enactment, on the status of its efforts to construct the cemetery.

On May 19, 2003, I held a field hearing along with Representatives Jim Gerlach and Joseph Hoeffel to discuss the creation of a VA cemetery with federal and local officials. At that hearing Sec. Principi agreed on the need for a VA cemetery in Southeastern Pennsylvania. "I am therefore, directing my Under Secretary for Memorial Affairs, General Jack Nicholson, to include southeastern Pennsylvania in our listing of locations currently inadequately served and, therefore, appropriate for the construction of a new national cemetery." stated Secretary Principi.

Additionally, the VA is currently reassessing its needs for cemetery construction nationwide and has compiled a list of areas where national cemeteries will be built over the next 20 years using a methodology

which I believe is seriously flawed. The first flaw of VA's methodology is its assumption that a locality has a "need" for a cemetery if a veterans' population of more than 170,000 resides more than 75 miles from an open State or national cemetery. This assumption gives no consideration to the fact that heavily-congested areas, like southeastern Pennsylvania, may have thousands, or even tens of thousands, of veterans residing just under 75 miles from the nearest cemetery.

The second flaw of VA's methodology is its assumption that veterans are adequately provided a burial option if a national cemetery in close proximity offers the option of interring cremated remains. For many, cremation is often not an option. Indeed, while cremation is growing in popularity, it is not yet the preferred burial method among most Americans.

PROSECUTING WAR CRIMES

Senator Joe Biden, Congressman Curt Weldon and I introduced a resolution calling for the establishment of a war crimes tribunal, established by the United States, Great Britain and others in the coalition forces to prosecute war crimes arising out of the war against Iraq.

There has been an announced policy by Iraq to use subterfuge to have combatants act as civilians in car bombings, which constitutes a violation of the Hague and Geneva Conventions.

Among the crimes to be addressed, seven American soldiers in at least two separate instances were killed by an Iraqi soldier dressed as a civilian in a car, where a car

bomb exploded.

Tariq Aziz, the deputy foreign minister of Iraq, announced on international television that this would be the policy of Iraq, that they were recruiting some 4,000 volunteers to act as suicide bombers. I have gone to the

Senate floor and filed a resolution to put Iraq on notice that there would be an effort to create a war crimes

tribunal to hold these leaders responsible. Tariq Aziz, and the vice president of Iraq who

had backed the policy, should know that when the war was over it wouldn't be over for war criminals.

But most of all we want Minister Tariq Aziz and Iraqi officials and those who carry out their orders to know that they're liable to be tried as

war criminals, just as Milosevic is being tried at The Hague, just as the former

head of state of Rwanda was tried and is now serving a life sentence.

Congressman Curt Weldon has taken the lead in the House of Representatives, and has obtained about 150 co-sponsors on the first resolution in the House. We have modified that proposal to make it a concurrent resolution, which would be from both the Senate and the House of Representatives, and would be presented to the President for signature.

Seven American soldiers in at least two separate instances were killed by an Iraqi soldier dressed as a civilian in a car...

US AIRWAYS UPDATE

I had a heated discussion with Mr. Siegel on Monday, March 31. He called to tell me that US Airways had reserved the right to renegotiate the contracts for their Pittsburgh hub. I told him that I was stunned by that and that the Pennsylvania delegation, Senator Santorum and I, have been giving a lot of help to US Airways. We have helped them with a loan guarantee, and their anti-trust problems with United, and more recently with the bailout and the problems they had with the Pension Guarantee Corporation on the pensions.

I told him very bluntly that I was going to rethink what we were doing for US Airways when they didn't really seem to care too much about the men and women who work for them and who are our constituents.

The delegation is in the

process of discussing what steps we are going to take next. We are going to organize a battle plan to formulate our thinking very carefully about the extent and the way we help US Airways to be consistent with helping the men and women who run US Airways.

In this meeting we have scheduled for June 11, 2003 we are going to ask US Airways for specifics on what plans they have.

Sen. Santorum, Gov. Rendell, the Pennsylvania Congressional delegation and I have scheduled a meeting with David Siegel and US Air-

ways to find out what US Airways is going to do in the future. In this meeting we have scheduled for June 11, 2003 we are going to ask US Airways for specifics on what plans they have.

I had inserted in our most recent supplemental appropriation bill the requirement that the Secretary of Transportation take a look at what is happening with major airlines on hubs. It wasn't specified to the Pittsburgh hub but that was what it was intended to do. So they continue to need us and I think we do have some leverage and we intend to exert as much as we can.



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CONTINUING MY TOUR OF TOWN MEETINGS

As we begin the first session of the 108th Congress, I am continuing my tradition of soliciting your views on what should be our priorities in Washington, D.C. It is important for me to know what you believe are the most pressing issues facing our state and nation.

As your United States Senator, my number one priority is keeping abreast of your needs and concerns. I will be continuing my tour of Town Meetings with two in Eastern Pennsylvania in June.

**Monday, June 30, 2003
@ 9:00 AM**

Lehigh County Government Center
Public Hearing Room
17 South 7th Street
Allentown, Pennsylvania

**Monday, June 30, 2003
@ 11:30 AM**

Forks Township Municipal Building
Large Meeting Room, 2nd Floor
1606 Sullivan Trail
Easton, Pennsylvania

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